

Hearing Date: October 30, 2019, at 9:30AM (Atlantic Standard Time)
Response Deadline: October 15, 2019 at 4:00PM (Atlantic Standard Time)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth.**

**NOTICE OF HEARING FOR OBJECTION OF THE COMMONWEALTH OF PUERTO
RICO TO PROOF OF CLAIM OF MADELINE DOSAL MILÁN (CLAIM NO. 60246)**

PLEASE TAKE NOTICE that, on September 12, 2019, the Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Commonwealth’s representative pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² filed the *Objection of the Commonwealth of Puerto Rico to Proof of Claim of Madeline Dosal Milán (Claim No. 60246)* (the “Objection”) with the United States District Court for the District

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101-2241.

of Puerto Rico (the “Court”), seeking to reclassify in its entirety Proof of Claim No. 60246 filed by Madeline Dosal Milán.

PLEASE TAKE FURTHER NOTICE that any response to the Objection must be filed in writing with the Court and must be served upon and received by the undersigned counsel for the Commonwealth by **4:00 p.m. (Atlantic Time) on October 15, 2019.**

PLEASE TAKE FURTHER NOTICE that, in the event that one or more responses to the Objection are timely filed, the Objection shall be considered by The Honorable Laura Taylor Swain, at the United States District Court for the District of Puerto Rico, 150 Carlos Chardón Street, Federal Building, San Juan, Puerto Rico 00918-1767, at **9:30 a.m. on October 30, 2019.**

PLEASE TAKE FURTHER NOTICE THAT, IF NO RESPONSES TO THE OBJECTION ARE TIMELY FILED, SERVED, AND RECEIVED, IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE OBJECTION WITHOUT FURTHER NOTICE OR HEARING.

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PLEASE TAKE FURTHER NOTICE that copies of all documents filed in these Title III Cases are available (a) free of charge by visiting <https://cases.primeclerk.com/puertorico> or by calling +1 (844) 822-9231, and (b) on the Court's website at <http://www.prd.uscourts.gov>, subject to the procedures and fees set forth therein.

Dated: September 12, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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*Attorneys for the Financial Oversight and
Management Board as representative for the
Commonwealth*

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PROMESA
Title III

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**This filing relates to the
Commonwealth.**

**OBJECTION OF THE COMMONWEALTH OF PUERTO RICO TO PROOF OF
CLAIM OF MADELINE DOSAL MILÁN (CLAIM NO. 60246)**

The Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the representative of the Commonwealth pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² files this objection (the “Objection”) to Proof of Claim No. 60246 filed by Madeline Dosal Milán (the “Claimant”), which was incorrectly asserted against

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² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

the Commonwealth and should be reclassified to be asserted against the Puerto Rico Electric Power Authority (“PREPA”), and in support of the Objection, respectfully represents as follows:

JURISDICTION

1. The United States District Court for the District of Puerto Rico has subject matter jurisdiction to consider this matter and the relief requested herein pursuant to PROMESA section 306(a).

2. Venue is proper in this district pursuant to PROMESA section 307(a).

BACKGROUND

A. The Bar Date Orders and Proofs of Claim Filed

3. On May 3, 2017, the Oversight Board, at the request of the Governor, issued a restructuring certification pursuant to PROMESA sections 104(j) and 206 and filed a voluntary petition for relief for the Commonwealth pursuant to PROMESA section 304(a), commencing a case under Title III thereof (the “Commonwealth Title III Case”). On January 16, 2018, the Debtors filed their *Motion for Order (A) Establishing Deadlines and Procedures for Filing Proofs of Claim and (B) Approving Form and Manner of Notice Thereof* [ECF No. 2255]³ (the “Bar Date Motion”). Pursuant to the *Order (A) Establishing Deadlines and Procedures for Filing Proofs of Claims and (B) Approving Form and Manner of Notice Thereof* [ECF No. 2521] (the “Initial Bar Date Order”), the Court granted the relief requested in the Bar Date Motion and established deadlines and procedures for filing proofs of claim in the Commonwealth Title III Case. Upon the informative motion of certain creditors, and the support of the Debtors, the Court subsequently entered the *Order (A) Extending Deadlines for Filing Proofs of Claim and (B) Approving Form*

³ Unless otherwise stated herein, ECF citations refer to documents filed in Bankruptcy Case No. 17 BK 3283-LTS.

and Manner of Notice Thereof [ECF No. 3160] (together with the Initial Bar Date Order the “Bar Date Orders”), extending these deadlines to June 29, 2018 at 4:00 pm (Atlantic Time).

4. To date, over 170,300 proofs of claim have been filed against the Debtors and logged by Prime Clerk, LLC. Such proofs of claim totaled approximately \$43.6 trillion in asserted claims against the Debtors. Of the proofs of claim filed, approximately 108,052 have been filed in relation to, or reclassified to be asserted against, the Commonwealth, totaling approximately \$33.2 trillion in asserted liabilities plus unliquidated amounts. In accordance with the terms of the Bar Date Orders, many of these claims need not have been filed at all, or suffer from some other flaw, such as being subsequently amended, not putting forth a claim for which the Debtors are liable, or being duplicative of other proofs of claim.

B. Proof of Claim at Issue

5. On or about June 6, 2018, Claimant filed a proof of claim asserting \$10,918.75 in liability for “Principal and Interest [sic]” based on an alleged ownership interest in bonds issued by PREPA. Claimant did not specify on the proof of claim form against which of the Title III debtors she intended to assert a claim. The Claim was logged by Prime Clerk, LLC, as Proof of Claim No. 60246, and as filed against the Commonwealth.

OBJECTIONS TO PROOFS OF CLAIM

6. Claims that are “unenforceable against the debtor and property of the debtor, under any agreement or applicable law” should be disallowed. 11 U.S.C. § 502(b)(1). Federal Rule of Bankruptcy Procedure 3007(d)(2) allows for objections to claims that have been filed in the wrong case. In accordance with these legal principles, the Objection seeks to reclassify a claim that was asserted against the incorrect debtor, and thus filed in the wrong case. The Claim was classified as being asserted against the Commonwealth, when the Claim is properly asserted, if at all, against PREPA because the Claim is based on an alleged ownership of bonds issued by PREPA, not the

Commonwealth. Accordingly, the Claim should be reclassified to be asserted against PREPA (the “Reclassified Claim”). Because this Objection does not constitute an objection to the Reclassified Claim, the Debtors reserve their rights to object to the Reclassified Claim on any grounds whatsoever.

NOTICE

7. The Commonwealth is providing notice of this Objection to (a) the individual creditor subject to this Objection, (b) the U.S. Trustee, and (c) the Master Service List (as defined by the *Tenth Amended Case Management Procedures* [ECF No. 8027-1]), which is available on the Debtors’ case website at <https://cases.primeclerk.com/puertorico>. The Commonwealth submits that, in light of the nature of the relief requested, no other or further notice need be given.

RESERVATION OF RIGHTS

8. This Objection is limited to the grounds stated herein. Accordingly, it is without prejudice to the rights of the Debtors or the rights of any other party in interest in these Title III proceedings to object to the Claim or any other claims on any ground whatsoever. The Debtors expressly reserve all further substantive or procedural objections. Nothing contained herein or any actions taken pursuant to such relief is intended or should be construed as: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors’ right to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (e) a waiver of the Debtors’ rights under PROMESA, the Bankruptcy Code or any other applicable law.

NO PRIOR REQUEST

9. No prior request for the relief sought in this Objection has been made to this or any other court.

WHEREFORE the Commonwealth respectfully requests entry of an order, substantially in the form of the proposed order attached hereto as **Exhibit A**, (1) granting the relief requested herein, and (2) granting the Commonwealth such other and further relief as is just.

Dated: September 12, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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*Attorneys for the Financial
Oversight and Management Board
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Commonwealth*

EXHIBIT A

Proposed Order

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
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as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

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PROMESA

Title III

No. 17 BK 3283-LTS

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Commonwealth.**

ORDER GRANTING OBJECTION OF THE COMMONWEALTH OF PUERTO RICO TO
PROOF OF CLAIM OF MADELINE DOSAL MILÁN (CLAIM NO. 60246)

Upon the *Objection of the Commonwealth of Puerto Rico to Proof of Claim of Madeline Dosal Milán (Claim No. 60246)* (Docket Entry No. __, the “Objection”)² filed by the Commonwealth of Puerto Rico (“Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), dated September 12, 2019, for entry of an order reclassifying Proof of Claim No. 60246 (the “Claim”) to be asserted against the Puerto Rico Electric Power Authority (“PREPA”), as more fully set forth in the Objection; and the Court having jurisdiction to consider the Objection and to grant the relief requested therein pursuant to

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² Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Objection.

PROMESA section 306(a); and venue being proper pursuant to PROMESA section 307(a); and due and proper notice of the Objection having been provided to those parties identified therein, and no other or further notice being required; and the Claim having improperly been asserted against the Commonwealth, when the asserted liability resides, if at all, against PREPA; and the Court having determined that the relief sought in the Objection is in the best interests of the Commonwealth, its creditors, and all the parties in interest; and the Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Objection is GRANTED as set forth herein; and it is further

ORDERED that the Claim is hereby reclassified to be a claim asserted against PREPA (the “Reclassified Claim”); and it is further

ORDERED that the Debtors’ rights to object to the Reclassified Claim is reserved; and it is further

ORDERED that Prime Clerk, LLC is authorized and directed, in the official claims registry in the PROMESA cases, to move the Claim from the Commonwealth Title III Case, to be asserted against PREPA in Bankruptcy Case No. 17 BK 4780-LTS (Last Four Digits of Federal Tax ID: 3747); and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

SO ORDERED.

Dated: _____

Honorable Judge Laura Taylor Swain
United States District Judge